

ASX Announcement | 30 July 2021

Seafarms Group Limited (ASX:SFG)

SFG Announcement No. 693

SEAFARMS CHAIRMAN'S EXTRAORDINARY GENERAL MEETING ADDRESS

30 JULY 2021

PROJECT SEA DRAGON

Construction activities for Project Sea Dragon are underway at the:

- Legune Station Grow Out Facility,
- Bynoe Breeding Facility, and
- Exmouth Founder Stock Centre.

Construction activities at PSD underway

- Canstruct, has commenced activity at Legune Station. Canstruct has started work on its initial \$78 million contract and mobilisation to the Legune Grow Out Facility in the Northern Territory.
- The first 21 buildings to establish the construction accommodation village have been transported to site and site preparation is underway.
- Canstruct is also preparing to mobilise significant equipment to commence moving, placing, and compacting approximately 3,000,000 cubic metres of earth to establish the first farm. This will consist of 36 ten hectare ponds, 36 one hectare nursery ponds and the associated supply and discharge canals.
- Tenders have been received for the long delivery four seawater intake pumps that are each capable of moving approximately 7,000 litres per second, complete with associated pipes, medium voltage motor control centres and control systems. Installation of these pumps is scheduled for late next year (2022).
- At both the Bynoe Harbour Breeding Facility and the Exmouth Founder Stock Centre work packages have been awarded for detailed engineering of buildings and utilities with initial work on site expected to commence during September this year. The procurement of water treatment components and systems have also commenced.

Moonamang Road Upgrade

- Upgrade gives all weather access to Wyndham, Kununurra and Legune
- The A\$18.3 million Western Australian Government sponsored sealing of the Moonamang Road continues to be advanced and upon completion will provide a complete all weather sealed road from Kununurra to the Legune Station boundary.
- It will ensure the Company can efficiently move fresh prawns from where they will be grown and harvested at Legune to the planned processing plant near Kununurra all year round.
- This investment by the Western Australian Government complements the investment by the Northern Territory Government that resulted in 30 kilometres of the Keep River Road being constructed from the WA/NT border to Legune.
- This upgrade included building two bridges over the Keep River and Sandy Creek and was completed in November 2020 at an estimated cost of over A\$87 million.
- This road infrastructure project was sponsored by the Australian and Northern Territory Governments.

PSD Domestication Breeding Program

- 🌱 The specific pathogen free (SPF) domestication program reduces production risk by ensuring that the prawns used in the production system do not carry known viruses that impact production. This strategy combined with selective breeding produces faster growing prawns.
- 🌱 The work at Exmouth complements the program in Queensland that has demonstrated the commercial benefits of domestication even where animals are not SPF.

NT Chief Minister embraces PSD progress

- 🌱 NT Chief Minister welcomes progress with Project Sea Dragon at a joint media conference with Seafarms and construction partner Canstruct in Darwin today
- 🌱 Local contracts awarded and jobs announced as construction starts for Stage 1A
 - 📌 14 contracts awarded, including 11 contracts to businesses in NT and WA
 - 📌 71 jobs supported in the early stage of construction
- 🌱 At full-scale Project Sea Dragon has the potential to create around 1500 jobs in northern Australia, including 700 jobs for local people on the ground at Legune Station, 300 jobs at a Darwin-based hatchery and breeding facilities and 500 jobs in Kununurra.
- 🌱 The first 21 buildings to establish the Legune Station construction accommodation village have been transported to site with construction contractor Canstruct beginning work. Up to 180 people are anticipated to be working on site by late September/early October.

Queensland Operational Update

- 🌱 Farm 2 significantly outperforms budget
- 🌱 Major bio-security and operational milestones achieved
 - 📌 For the first time nursery ponds for the upcoming crop, have been stocked with 100% fifth generation (G5) domesticated Black Tiger animals
 - 📌 On track to breed the sixth generation of domesticated animals this year
- 🌱 Overall production exceeded budget
 - 📌 Black Tiger Prawn yield was 8.0 tonnes per hectare across all farms, a 21% increase on FY20
 - 📌 Banana Prawn yield was 8.3 tonnes per hectare, a 9% increase on FY20 – our exclusive Woolworths arrangement.
- 🌱 Seafarms is also pleased to advise that Mr Alistair Dick, one of Australia's most experienced prawn farm operators. Gold Coast Marine first domestication and breeding but non-SPF and no genetics

Development of export markets continues

Four containers of export product (to Japan and Europe) have been processed, continuing to develop our export markets for Project Sea Dragon. These containers will be delivered to our sales partners over the next few months.

New stocking - 100% fully domesticated animals

The Flying Fish Point hatchery breeding performance (fecundity) of the domesticated G5 animals is in line with international benchmarks for these metrics.

Australian Research Council Research Hub

Seafarms welcomes the announcement by Minister Alan Tudge of funding for the Australian Research Council Research Hub for Supercharging Tropical Aquaculture Through Genetic Solutions, led by Professor Dean Jerry at James Cook University.

Approved and authorised for release by Seafarms' Disclosure Committee.

Ends.

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About Seafarms Group

Seafarms Group Limited (ASX:SFG) is a sustainable aquaculture company, producing the premium Crystal Bay® Prawns and developing the Project Sea Dragon prawn aquaculture project in northern Australia.

Seafarms Group uses environmentally sustainable processes and is currently Australia's largest producer of farmed prawns, its Crystal Bay® Prawns and Crystal Bay® Tigers are available year-round in fresh and frozen formats. To learn more please visit: www.crystalbayprawns.com.au

Seafarms Group is investing in sustainable aquaculture for export through Project Sea Dragon, a large-scale, vertically integrated, land-based, prawn aquaculture project being developed in northern Australia. The standalone marine prawn production system will be capable of annually producing 130,000 – 180,000 tonnes of prawns and the high-quality, year-round volumes will target export markets. To learn more please visit: www.seafarms.com.au